Financial Statement
2000-2001

North West
Regional College

102-01360/

Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the North West Regional College for the year ending June 30, 2001.

Respectfully submitted,

Pat Lorjé, Minister
Post-Secondary Education and Skills Training

NORTH WEST REGIONAL COLLEGE

AUDITORS' REPORT AND FINANCIAL STATEMENTS

June 30, 2001

DOWNIE JOHNSON SVENKESON
Chartered Accountants

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R.W. Johnson, FCA
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AUDITORS' REPORT

To the Board of Governors
North West Regional College

We have audited the statement of financial position of North West Regional College as at June 30, 2001 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2001 and the results of its operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Downie Johnson Svenkeson

Chartered Accountants.

North Battleford, Saskatchewan
September 8, 2001.

NORTH WEST REGIONAL COLLEGE

Statement of Management Responsibility

The College is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian generally accepted accounting principles and in accordance with the guidelines developed by Saskatchewan Post-Secondary Education and Skills Training. The College believes the financial statements present fairly the College's financial position as at June 30, 2001 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the College has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements principally through the Finance Committee. The Finance Committee meets with management and with the external auditors to discuss the results of the audit examinations and financial reporting matters. The external auditors have full access to the Finance Committee with and without the presence of management.

The financial statements for the year ended June 30, 2001 have been reported on by Downie Johnson Svenkeson, Chartered Accountants. The Auditors' Report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the financial statements.

President

Director of Administration

NORTH WEST REGIONAL COLLEGE

Statement of Financial Position

as at June 30, 2001

	2001				2000
	Operating Fund	Capital Fund	Scholarship Fund	Total	Total
Assets					
Current assets					
Cash	$ 421,038	$ 207,459	$ 17,390	$ 645,887	$ 513,154
Accounts receivable (Note 3)	575,788		60	575,848	545,601
Inventory	12,958			12,958	7,501
Prepaid expenses	7,820			7,820	7,330
	1,017,604	207,459	17,450	1,242,513	1,073,586
Capital assets (Note 4)		1,672,803		1,672,803	1,331,628
	$ 1,017,604	$ 1,880,262	$ 17,450	$ 2,915,316	$ 2,405,214
Liabilities and fund balances					
Current liabilities					
Accounts payable (Note 5)	$ 570,693			$ 570,693	$ 123,975
Accrued liabilities	67,825			67,825	63,731
Accrued holiday pay (Note 6)	121,347			121,347	107,087
Deferred income (Note 7)	47,665			47,665	211,053
	807,530			807,530	505,846
Fund balances					
Invested in capital assets		$ 1,672,803		1,672,803	1,331,628
Internally restricted reserves (Schedule 4)	210,074	207,459	$ 17,450	434,983	567,740
	210,074	1,880,262	17,450	2,107,786	1,899,368
	$ 1,017,604	$ 1,880,262	$ 17,450	$ 2,915,316	$ 2,405,214

Approved by the Board of Governors:

Sherman Kraheulik — Chairperson

Vice-Chairperson

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Operations

for the year ended June 30, 2001

	Operating			Capital		Scholarship		Total	
	Budget (Note 10)	2001	2000	2001	2000	2001	2000	2001	2000
Revenue (Schedule 1)									
Post-Secondary Education and Skills Training	$ 3,443,789	$ 3,785,853	$ 3,581,716	$ 385,000	$ 253,642			$ 4,170,853	$ 3,835,358
Federal Government		7,277	18,277					7,277	18,277
Other	1,218,354	1,328,151	1,106,183			$ 1,335	$ 2,287	1,329,486	1,108,470
	4,662,143	5,121,281	4,706,176	385,000	253,642	1,335	2,287	5,507,616	4,962,105
General operating expenditures (Schedule 2)									
Contractual and professional services	741,585	901,039	820,052					901,039	820,052
Rentals	253,411	248,606	232,087					248,606	232,087
Repairs and maintenance	7,332	9,272	16,781					9,272	16,781
Operating (Schedule 3)	732,991	759,249	669,167					759,249	669,167
Personal services	2,976,774	3,213,559	2,725,903					3,213,559	2,725,903
Scholarship						802	800	802	800
Amortization				166,671	146,925			166,671	146,925
	4,712,093	5,131,725	4,463,990	166,671	146,925	802	800	5,299,198	4,611,715
Excess (deficiency) of revenue over expenditures	$ (49,950)	$ (10,444)	$ 242,186	$ 218,329	$ 106,717	$ 533	$ 1,487	$ 208,418	$ 350,390

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Changes in Fund Balances

for the year ended June 30, 2001

	2001						2000
	Operating Fund		Capital Fund				
	Internally Restricted Reserves	Unrestricted	Invested in Capital Assets (Note 4)	Internally Restricted Reserves	Scholarship Fund	Total	Total
Fund balance at beginning of year	$ 254,189		$ 1,331,628	$ 296,634	$ 16,917	$ 1,899,368	$ 1,548,978
Excess of revenue over expenditures		$ (10,444)	218,329		533	208,418	350,390
Inter fund transfers	(44,115)	10,444	122,846	(89,175)			
Fund balance at end of year	$ 210,074	$ NIL	$ 1,672,803	$ 207,459	$ 17,450	$ 2,107,786	$ 1,899,368

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Cash Flows

for the year ended June 30, 2001

	2001	2000
Cash from operating activities		
Excess of revenue over expenditures	$ 208,418	$ 350,390
Add item not involving current cash flow:		
Amortization	166,671	146,925
	375,089	497,315
Net change in non-cash working capital balances related to operations (see below)	265,490	(202,429)
	640,579	294,886
Investment activities		
Purchase of capital assets	(507,846)	(482,214)
Net cash provided (used) in year	132,733	(187,328)
Cash and cash equivalents at beginning of year	513,154	700,482
Cash and cash equivalents at end of year	$ 645,887	$ 513,154

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with financial institutions. Cash and cash equivalents included in the cash flow statement comprised the following balance sheet amount:

Cash	$ 645,887	$ 513,154

Net change

The net change in non-cash working capital balances consists of:

	2001	2000
Accounts receivable (increase) decrease	$ (30,247)	$ 142,568
Inventory (increase) decrease	(5,457)	1,978
Prepaid expenses (increase)	(490)	(2,187)
Accounts payable increase (decrease)	446,718	(259,734)
Accrued liabilities increase (decrease)	4,094	(12,136)
Accrued holiday pay increase	14,260	1,720
Deferred income (decrease)	(163,388)	(74,638)
	$ 265,490	$ (202,429)

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2001

1. Purpose and authority

The North West Regional College offers educational services and programs under the authority of Section 14 of the *The Regional Colleges Act*. North West Regional College was established in 1975 as Mistikwa Community College. On January 1, 1988 *The Regional Colleges Act* was proclaimed, and the College was renamed North West Regional College to reflect its new mandate and extended boundaries. The mission of North West Regional College is to provide adult learning opportunities and to promote life-long learning as a means of enhansing the cultural, economic and social life of the individuals and communities it serves.

The Board of the North West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of the *The Regional Colleges Act* and its regulations.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principals, and include the following significant accounting policies contained in the Regional Colleges' Accounting and Reporting Manual:

a) Fund accounting

A fund is a separate set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of the particular activity. The funds are:

i) Operating fund

This fund contains the current revenue, expenditures, and liabilities pertaining to the general activities of the College.

ii) Capital fund

This fund contains the capital assets of the College and equity in the capital assets, net of the annual amortization expense. Included in the capital fund are the appropriations for future capital expenditures.

iii) Scholarship fund

This fund was established to include donations received by the College for purposes of awarding scholarships to students of the College.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2001

2. Significant accounting policies (Continued)

b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course of instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	2.5% to 4%
Furniture and equipment	10% to 33%
Land improvements	20%

d) Inventories

Inventories are valued at lower of cost or net realizable value.

e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

3. Accounts receivable

Accounts receivable are composed of the following:

	2001	2000
Federal government	$ 9,323	$ 7,446
Post-Secondary Education and Skills Training	404,294	352,047
SIAST	4,592	53,191
Other	157,639	132,917
	$ 575,848	$ 545,601

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2001

4. Capital assets

Capital assets consist of:

	Cost	2001 Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Buildings	$ 1,677,270	$ 147,924	$ 1,529,346	$ 1,217,166
Furniture and equipment	944,709	815,058	129,651	114,462
Land improvements	17,258	3,452	13,806	
	$ 2,639,237	$ 966,434	$ 1,672,803	$ 1,331,628

In 1998, North West Regional College and North Battleford School Division No. 118 entered into a Capital Cost Sharing Agreement to participate in a joint capital project at the North Battleford Comprehensive High School. As part of phase 1 renovations undertaken in 1999 the college space enjoyed an addition and major renovations to accommodate the college's Battlefords Campus and main adminstrative offices.

An independent asset appraisal undertaken by Battlefords School Division and conducted in April, 2000 determined the depreciated value, based on the college's 15.5% share of the facility, is $4,209,452.

Battlefords School Division and North West Regional College undertook further improvements to the joint-use facility in the 2000-2001 fiscal year. Battlefords School Division has invoiced North West Regional College for $384,000 representing a proportionate share of these capital improvements.

Title to the lands and buildings are held in the name of the School Division, with the College's 15.5% proportionate share held in trust.

5. Accounts payable

	2001	2000
Trade	$ 445,288	$ 70,421
Wages	125,405	53,554
	$ 570,693	$ 123,975

6. Accrued holiday pay

	2001	2000
Accrued holiday pay at beginning of year	$ 107,087	$ 105,367
Net adjustment, current year	14,260	1,720
Accrued holiday pay at end of year	$ 121,347	$ 107,087

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2001

7. Deferred income

Deferred income consists of:

	2001	2000
Post-Secondary Education and Skills Training	$ 10,000	$ 158,854
Federal government		7,277
Other	37,665	44,922
	$ 47,665	$ 211,053

8. Related party transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Expenses for related party transactions during the year were as follows:

	2001	2000
SaskPower	$ 8,960	$ 14,761
SaskTel	48,063	52,628
Saskatchewan Property Management Corp.	45,526	37,137

The College provided courses in conjunction with the Saskatchewan Institute of Applied Science and Technology (SIAST). During the year the College expended $496,989 (2000, $441,840) for courses provided by SIAST. As at year end, there was no payable to SIAST (2000, $NIL).

During the year, the College provided courses in conjunction with the Universities of Saskatchewan and Regina. Transactions during the year were as follows:

	2001	2000
University of Saskatchewan		
Revenue	$ 110,375	$ 63,602
Expenses	108,736	114,085
University of Regina		
Revenue	$ 8,262	$ 11,890
Expenses	17,225	21,830

During the year the College entered into a contract with the Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $99,000 during the year from SCN for these programs (2000, $99,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2001

9. Pensions

Employees of the College participate in one of the three pension plans. Teacher's and other employees holding a teaching certificate participate in a defined benefit plan; either the Teacher's Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. The General Revenue Fund is responsible for the required employer contribution of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $101,012. (2000, $90,208).

10. Budget

The budgeted figures reported in the Statement of Operations are obtained from the annual budget approved by the board and included in the annual budget review document submitted to and approved by the Department of Post-Secondary Education and Skills Training. The budget was approved by the Regional College Board on June 26, 2000 and by the Minister of Saskatchewan Post-Secondary Education and Skills Training on December 18, 2000.

11. Financial instruments

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows.

The majority of the College's receivables are from Post-Secondary Education and Skills Training. Therefore the credit risk is minimal.

The carrying amount of accounts receivable, accounts payable, accrued liabilities and accrued holiday pay approximate fair market value due to their immediate or short-term nature.

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Revenue by Function
for the year ended June 30, 2001

Schedule 1

	2001								2000
	General Administration	Programing				Support Services			
	General Revenue	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Post-Secondary Education and Skills Training									
Administrative recovery	$ 17,530	$ 7,230						$ 24,760	$ 27,129
Flat grant	1,238,025		$ 58,868	$ 10,937	$ 81,688	$ 74,304		1,463,822	966,599
Program payments	445,518	240,379	721,941	747,255		43,075		2,198,168	2,180,771
Other	12,938		1,311	43,722		41,132		99,103	407,217
	1,714,011	247,609	782,120	801,914	81,688	158,511		3,785,853	3,581,716
Federal government									
Program payments	7,277							7,277	18,277
Other									
Contracts	86,590	59,202	146,369	107,105	64,250			463,516	426,244
Interest and dividends	71,446							71,446	63,843
Rents	4,433	260						4,693	3,241
Resale items	11,752	2,182	2,127	1,736			$ 101,824	119,621	98,845
Tuition fees		131,671	6,780	325,216	118,637	330		582,634	422,145
Other	58,017	700	7,237	15,053	5,234			86,241	91,865
	232,238	194,015	162,513	449,110	188,121	330	101,824	1,328,151	1,106,183
	1,953,526	441,624	944,633	1,251,024	269,809	158,841	101,824	5,121,281	4,706,176
Total revenue	2,048,912	454,494	948,823	1,215,587	190,589	166,663	106,657	5,131,725	4,463,990
Total expenses (Schedule 2)									
Excess (deficiency) of revenue over expenditures	$ (95,386)	$ (12,870)	$ (4,190)	$ 35,437	$ 79,220	$ (7,822)	$ (4,833)	$ (10,444)	$ 242,186

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Expenditures by Function
for the year ended June 30, 2001

Schedule 2

	2001									2000
	General Administration			Programing				Support Services		
	Board	Administrative	Organizational	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Contractual and professional		$ 49,734	$ (4,466)	$ 255,991	$ 300	$ 491,094	$ 108,154	$ 232		$ 901,039	$ 820,052
Rentals		(8,232)	5,075	13,074	87,297	118,680	27,277	5,435		248,606	232,087
Repairs and maintenance		4,572	1,436	2,464	124	74	94	508		9,272	16,781
Operating expenses (Schedule 3)	$ 40,927	101,857	162,429	60,496	77,850	109,448	44,508	55,750	$ 105,984	759,249	669,167
Personal services	21,948	682,227	991,405	122,469	783,252	496,291	10,556	104,738	673	3,213,559	2,725,903
	$ 62,875	$ 830,158	$ 1,155,879	$ 454,494	$ 948,823	$ 1,215,587	$ 190,589	$ 166,663	$ 106,657	$ 5,131,725	$ 4,463,990

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Operating Expenses
for the year ended June 30, 2001

Schedule 3

	2001	2000
Advertising	$ 63,115	$ 46,579
Association fees and dues	9,790	9,916
Bad debts	261	1,097
Bank charges and interest	1,991	1,831
Computer software	11,033	10,799
Equipment	58,037	56,534
Goods and services tax	58,168	51,770
In-service training	60,759	41,160
Insurance	11,991	9,801
Licenses and taxes		(1,087)
Materials and supplies	115,176	63,686
Postage, freight and courier	11,985	16,454
Printing and duplicating	15,416	35,918
Resale items	115,998	93,351
Subscriptions	972	2,158
Telephone	38,450	50,265
Travel	149,296	123,775
Utilities	3,575	16,678
Other	33,236	38,483
	$ 759,249	$ 669,168

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Schedule of Reserve Transactions
June 30, 2001

Schedule 4

Internally Restricted	Balance Beginning of Year	Appropriation to Reserve	Appropriation from Reserve	Balance End of Year
OPERATING FUND - Internally Restricted				
Reserve for administrative computer system	$ 40,974		$ (10,000)	$ 30,974
Reserve for class plan	46,000		(46,000)	
Reserve for TEL	25,000		(25,000)	
Reserve for programs	117,609	$ 129,000	(117,609)	129,000
Reserve for enrollment management	14,400			14,400
Reserve for severance	6,150			6,150
Reserve for scholarships		3,123		3,123
Reserve for contingencies	4,056	22,371		26,427
Total operating fund	$ 254,189	$ 154,494	$ (198,609)	$ 210,074
CAPITAL FUND				
Reserve for Meadow Lake	$ 61,687	$ 20,000		$ 81,687
Reserve for computer equipment	116,589	25,000	$ (72,828)	68,761
Reserve for F/E Replacement - general	68,358	45,451	(78,499)	35,310
Reserve for N. B. campus project	50,000		(28,299)	21,701
Total capital fund	$ 296,634	$ 90,451	$ (179,626)	$ 207,459
SCHOLARSHIP FUND				
Reserve for scholarships	$ 16,917	$ 533		$ 17,450

See Accompanying Notes

North West Regional College

LIST OF PAYMENTS TO SUPPLIERS
GREATER THAN $20,000 FOR 2000-2001
(unaudited)

	2000-2001
Bee-J's Stationers	25,480
Bralin Computer Service	22,175
Cansafe Inc	116,049
Cooperative Trust Co. Canada	22,000
Cooperators	96,910
Icon Office Solutions	42,667
Joseph Bighead Band	43,632
Minister of Finance	40,898
Minolta Business Equipment Ltd.	32,171
Mistik Management	25,672
Municipal Employees Superannuation	202,515
Nor-ren Consulting	21,303
North Battleford School Division No.103	181,895
Receiver General	860,252
SaskTel	48,063
Saskatchewan Government Employees Union	60,497
Saskatchewan Property Management Corp	45,526
SIAST - Kelsey Campus	93,464
SIAST - Palliser Campus	252,183
SIAST - Wascana	58,320
SIAST-Woodlands Campus	93,022
Teacher's Superannuation Fund	33,811
Ultra Print Services	28,198
University of Saskatchewan Bookstore	28,386

North West Regional College
LIST OF PAYMENTS GREATER THAN $2,500 FOR 2000
Personal Services

(unaudited)

	Total
Beaver, Pam	$38,754
Hritzuk, John	$8,050
Krahenbill, Sherman	$12,425
LaClare, Larry	$61,745
Martin, Ruth	$2,942
Nylander, Bryan	$94,034
Roberts, Melanie	$71,862
Smith, Annette	$5,771
Steiert, Patt	$76,702
Wehrhahn, Adele	$3,322